

## **EXHIBIT 18**

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

COMMONWEALTH OF  
MASSACHUSETTS, et al.,

Plaintiffs,

Civil Action No. \_\_\_\_\_

v.

NATIONAL INSTITUTES OF HEALTH,  
et al.,

Defendants.

**Declaration of Dr. Joseph T. Walsh, Jr.**

I, Joseph T. Walsh, Jr., hereby declare:

1. I am the Vice President for Economic Development and Innovation at the University of Illinois System, a position I have held since 2020. As the Vice President for Economic Development and Innovation, I work closely with senior leaders across the University of Illinois System, at each of the System's three universities, and with other internal and external stakeholders to lead initiatives in support of the university's research and economic development missions. Prior to holding this position, I was Vice President for Research at Northwestern University from 2007 to 2019.
2. As the University of Illinois System's Vice President for Economic Development and Innovation, I have personal knowledge of the matters set forth below or have knowledge of the matters based on my review of information and records gathered by System staff.
3. I am providing this declaration to explain certain impacts of National Institutes of Health ("NIH") Notice Number NOT-OD-25-068, *Supplemental Guidance to the 2024 NIH Grants*

*Policy Statement: Indirect Cost Rates*, which purports to immediately reduce indirect costs payments to 15%.

4. The University of Illinois System is the flagship public higher education research institution in the State of Illinois, consisting of three universities located in Chicago, Springfield, and Urbana-Champaign. The University of Illinois System is a body corporate and politic authorized pursuant to action by the Illinois General Assembly and overseen by the Board of Trustees of the University of Illinois. Its oldest university, the University of Illinois Urbana-Champaign, was established as the state's land grant university in 1867. Across all universities, the System enrolls more than 97,000 students.
5. The University of Illinois has a long and strong history of impactful research, including the innovation of two pharmaceuticals: Prezista and Shingrix. The former has been an important drug for the treatment of HIV; the latter is the current gold standard vaccine for the prevention of shingles in adults. Awards from the National Institutes of Health fund University of Illinois research that improves health and saves lives. In 2024, NIH funding for University of Illinois research led to the development of promising new therapeutics, including a novel antibiotic to fight drug-resistant bacteria and a redesigned drug for acute lymphoblastic leukemia, the most common blood cancer in children. It has helped us develop a new screening method to help physicians detect ovarian tumors early and a new vaccine for lymphatic filariasis, a disease affecting over a 100 million people worldwide. It has funded the launch of a new maternal health research center to reduce maternal death and morbidity and a study site investigating the links between environmental exposures, diabetes, and chronic kidney disease. The full University of Illinois portfolio of NIH-funded research was supported by more than \$325M from NIH in FY24.

6. The University of Illinois Chicago (“UIC”) and the University of Illinois Urbana-Champaign (“UIUC”) have Federal Negotiated Indirect Cost Rate Agreements (“NICRA”), effective as of June 24, 2024, for UIC and June 21, 2024, for UIUC. The nominal base Indirect Cost (“IDC”) Rate in UIC’s NICRA is 59.9% and UIUC’s is 58.6%, with negotiated rates for activities other than “research, on-campus” varying and generally below this rate. Effective indirect cost rates vary, by grant, as a result.
7. We estimate that NIH’s reduction of the University of Illinois System’s IDC rates will eliminate approximately \$67 million annually (UIC and UIUC combined, annually, calculated on a standard modified total direct cost or MTDC basis) in funding that the System uses to support its research programs. The loss of these funds will immediately impact the University of Illinois System’s ability to draw critical funds used to pay expenses associated with support of state-of-the-art laboratories, high-speed data processing, hazardous waste disposal, regulatory compliance staff, patient safety protocols, and maintenance, and basic administrative support, among other expenses. These reimbursed “Facilities and Administrative” (“F&A”) expenditures provide the infrastructure and support that are essential to research.
8. Many of the approximately 400 clinical trials, which are critical in identifying methods to prevent, screen for, diagnose, mitigate, or treat patients who are suffering from a range of health conditions, are supported by the NIH. These trials require very specialized infrastructure and support and are complex and costly to perform. This includes clinical care space, operation of Institutional Review Boards, special instrumentation, and diagnostic equipment. Without the support for the resources needed to perform these trials, currently

provided significantly through indirect cost recovery, fewer trials will inevitably be conducted and the overall health of our nation will suffer.

9. In the short term, the inability to recover indirect costs associated with research will require the System to cover these expenses through other internal funds, directly affecting our ability to deliver critical education, research, and service functions. Over time, sustaining this approach will become increasingly difficult, ultimately hindering our capacity to pursue research that serves the public good.
10. The University of Illinois System anticipates continuing to draw funds on a periodic (generally monthly) basis. At the time of the next draw, the reduced IDC rate will impact the University of Illinois System in a multitude of ways including, but not limited to, difficulty in completing ongoing research activities without the requisite support, and an inability to provide the infrastructure and support required to propose continuing or new research in critical areas of innovation that are in the national interest.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 9th day of February, 2025, in Urbana, Illinois.



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Joseph T. Walsh, Jr.  
University of Illinois System – Vice  
President for Economic Development and  
Innovation